

ANNUAL GOVERNANCE STATEMENT 2012/13

1. Scope of Responsibility

The Welsh Ambulance Services NHS Trust is a statutory body that came into existence on 1 April 1998 under the Welsh Ambulance Services NHS (Establishment) Order 1998, with NHS Direct Wales joining the Trust in 2007.

The Trust's role is to manage emergency and urgent care services and planned patient care services, including the functions of NHS Direct Wales. It also manages such other services (including communications and training) relating to the provision of care as can reasonably be carried out in conjunction with the management of ambulance, associated transport services and, working in collaboration with other healthcare organisations in the development of unplanned admissions to hospital and the provision of alternative care pathways.

The Board is accountable for Governance and Internal Control. As Accountable Officer and Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and this organisation's assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

In discharging this overall responsibility I, together with the Board, am responsible for putting in place proper arrangements for the governance of the affairs of the Trust, facilitating the effective exercise of the functions of the Trust and the management of risk.

The principal role of the Trust Board is to:

- set the Trust's strategic direction;
- establish and uphold the Trust's governance and accountability framework, including its values and standards of behaviour; and
- ensure delivery of the Trust's goals through effective challenge and scrutiny of performance across all areas of activity.

The Board functions as a corporate decision-making body, executive directors and non executive directors being full and equal members and sharing corporate responsibility for all the decisions of the Board.

The Board is supported by the Corporate Secretary, who acts as principal adviser on all aspects of non-clinical governance within the Trust. The Board is also supported by a number of committees attended and chaired by non executive directors who fulfil specific elements of the Board's duties and responsibilities.

The Board has been constituted to comply with the NHS (Wales) Act 2006 and the National Health Service Trusts (Membership and Procedure) Regulations 1990 (1990/2024).

In addition to responsibilities and accountabilities set out in the terms and conditions of appointment, Board members also have clear job roles and fulfil a number of 'Champion' roles where they act as ambassadors for these matters.

The Board members in post during the financial year 2012/13, including their attendance record, were:

Board Member	Position	Area of Expertise	Champion Roles	Board	Audit Cttee	QS GC	SPC	CF	Rem
Stuart Fletcher	Non Executive Director/ Chairman of the Board/ Chair of Remuneration Committee	Chair of the Board	Corporate Health Standards	6/6					6/6
Stuart Castledine	Non Executive Director/Chair of Audit Committee	Finance	Community First Responders/ Ambulance Trust Olympic Group/Military Veterans Liaison Meeting	6/6	5/5		5/6		4/4 (Co-opted member)
Dilwyn Evans	Non Executive Director/Chairman of Charitable Funds Committee	Vice Chairman of the Board	Development of "Healthy Sustainable Wales"	6/6	4/5		5/6	1/2 (Up to membership change)	3/3 (Up to membership change)
Kevin Fitzpatrick	Non Executive Director/Chairman of Quality, Safety and Governance Committee	Patient Outcomes and Engagement/ Quality and Safety	Equality and Diversity/Children and Young Peoples Services/Improving Health in Wales/Carers/Patient Engagement	5/6	2/4	5/5		1/2 (Up to membership change)	

Judith Hardisty	Executive Director – Director of Workforce and Organisational Development	Workforce and OD		6/6		5/5	5/6	1/2	6/6
Paul Hughes	Executive Director – Medical Director	Medical/Clinical Governance	Caldicott Guardian	3/6		4/5			
Philip James	Non Executive Director/Chairman of Strategic Planning Committee	Finance/Audit	Welsh Language/EMS Operations/PCS Operations	6/6	1/1 (Up to membership change)	3/5	6/6		
Carl James	Executive Director – Director of Strategy, Planning and Performance	Strategic Planning and Estates	Senior Information Risk Owner (SIRO)	5/6			6/6		
Sue Jenkins *	Director of Service Delivery (Associate Director)	Emergency and Patient Care Operations							
Sara Jones *	Director of Nursing (Associate Director)	Nursing/Clinical Services							

John Morgan	Non Executive Director	Information/ ICT	Infection Management/ Concerns/1000 Lives Plus	5/6	4/5	5/5		1/2 (Up to membership change)	
Nina Park (up to 30 November 2012)	Non Executive Director	Workforce and Organisational Development	Violence and Aggression/Older People	1/3					1/2
Elwyn Price Morris	Chief Executive	Accountable Officer		5/6					6/6
Peter Price	Non Executive Director	Legal	Design	6/6			6/6	2/2	6/6
John Jones (from 1 April to 2 September 2012)	Acting Director of Finance and ICT	Finance		2/2	2/2		1/1		-
Patsy Roseblade	Director of Finance and ICT	Finance		4/4	2/3		3/5		1/1

* The Director of Service Delivery and the Director of Nursing (part time) are both associate directors of the Trust and not voting members on the Board.

Key

Board = Trust Board

CF = Charitable Funds Committee

QSGC = Quality, Safety and Governance Committee

Rem = Remuneration Committee

SPC = Strategic Planning Committee

The Trust's governance structure accords with the governance e-manual and the Welsh Government's citizen-centred governance principles and Standards for Health Services in Wales, together with its planning and performance management frameworks. These arrangements comply with the principles included in HM Treasury's "Corporate Governance in Central Government Departments: Code of Good Practice 2011".

The Trust has agreed Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the NHS Trusts' Regulations 1990 into day-to-day operating practice and, together with the adoption of a Scheme of Delegation to officers and others, and Standing Financial Instructions, they provide the regulatory framework for the conduct of business of the Trust and define its 'ways of working'.

These documents, together with the range of policies set by the Board, and the adoption of the values and standards of behaviour framework, make up the Trust's governance framework.

The current committee structure has worked well although it is currently under review due to the implementation of a new management structure and an assessment of the implications of a Trust-wide review by the Minister for Health and Social Services. Board and committee agenda and papers are published seven calendar days in advance, demonstrating the Board's commitment to openness and transparency in the conduct of its business.

The Board has agreed the following vision and objectives set out in the Trust's strategic document "Working Together for Success":-

Vision

An ambulance service for the people of Wales which delivers high quality care wherever and whenever it is needed

Objectives

Objective 1: To achieve all of the national quality standards and clinical requirements

Objective 2: To provide the right service with the right care, in the right place, at the right time with the right skills

Objective 3: To provide high quality planned patient care services which are valued by users

This vision, together with our objectives, underpin the strong governance ethos that is being embedded throughout the Trust through its governance framework.

The purpose of the system of internal control.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can, therefore, only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the aims, objectives, and policies to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

The Management of Risk

The Trust is committed to improving safety and the quality of patient care whilst ensuring the management of risk in its widest sense.

Risk management is defined within the Trust as the process of identifying hazards or threats to the achievement of objectives, assessing risk, taking action to eliminate or reduce the risk to the lowest reasonably practicable level, monitoring and reviewing the process.

The delivery of healthcare services carries inherent risk. The Board, in acknowledging that effective risk management is integral to the successful delivery of its services, has, and is, developing systems and processes which identify and assesses risks, decide on appropriate responses and provide assurance that the responses are effective. The implications of risks taken by management in pursuit of improved outcomes, in addition to the potential impact of risk-taking on, and by its committees, partner organisations and other stakeholders, is understood by the Board and represents the basis on which further work is being undertaken.

The risk appetite of an organisation is the level of risk that the organisation is prepared to accept before action is deemed necessary to reduce it, i.e. the balance between the threat of harm, loss or damage of say a particular activity or course of action and the likelihood and value of the benefits to be achieved. The Trust is limited in the extent to which it is permitted to risk public funds but the risks associated with e.g. having its emergency vehicles driven at speed under emergency conditions and also the extent to which its staff are required to venture into unknown and potentially hazardous circumstances, sometimes as lone workers, are risks that the Trust accepts but manages in the interests of providing prompt treatment to its patients. The treatment of patients in the community can itself present risks to the Trust's staff of infection or violence and aggression and these risks are also managed to a certain extent through training and dynamic risk assessment. Maintaining the provision of a satisfactory level of emergency ambulance response times also in itself presents a continuous challenge and the frequent need to escalate the level of special arrangements to maximise staff availability often

requires the suspension of routine training opportunities. This contributes to a short-term solution that can present a longer-term risk that needs to be managed as carefully as possible.

The Board uses this risk assessment process to identify and manage significant risks to the Trust.

Key risks managed by the Trust during 2012/13 related to:

- Cleanliness and Infection Control.
- Emergency Ambulance Response Times;
- Increase in the number of 999 Emergency calls;
- Delays in turn-around times at hospital A & E Departments;
- Arrangements for the Safeguarding of Vulnerable People;
- Statutory and Mandatory Training Compliance;
- The Management of an Ageing Estate;
- Fleet Management;
- Environmental Management;
- Non-Emergency Patient Care Services;
- Business Continuity and Resilience;

These risks have been addressed by a range of mitigation measures, including the development of appropriate strategies and plans: Estates and Facilities Management Strategy, Cleanliness and Infection Control Strategy, Fleet Strategy and the development of Business Continuity Plans.

Specific developments during 2012/13 have included the commissioning of the first Make Ready Depot that ensures that vehicles are cleaned and restocked ready for duty.

The risks associated with emergency ambulance response times, the increased number of 999 emergency calls and the delays in turn-round times at hospital A & E departments have been addressed by a range of initiatives and a revised Clinical Response Model.

It is the policy of the Board to manage the Trust in such a way as to minimise the risks to patients, staff and anyone else likely to be affected by the Trust's activities. The executive team manage the operations of the Trust on behalf of the Board with the aim of protecting the organisation from avoidable losses or damage to its reputation. I have overall responsibility for risk management and the Corporate Secretary has been designated, under the Scheme of Delegation, as the officer with delegated responsibility for risk management and co-ordinating the system of Board assurance with the Director of Workforce and Organisational Development having overall responsibility for health and safety.

Risk management techniques and programmes are applied to identify and control risks in order to ensure the continuing provision of high quality services to patients, clients and the public. Across the full range of activities within the Trust, whether governed by legislation and regulations, by protocols and guidelines, or simply by

best practice and common sense, the Trust continues to strive to improve risk management by all managers, staff and volunteers to ensure that harm, damage and potential losses of all sorts are avoided or minimised.

The Trust has an adverse incident/hazard reporting, investigation and learning policy and procedure, the latest version having been approved by the Board in March 2013. The Trust is committed to learning lessons from adverse incidents, in particular clinical adverse incidents, claims and complaints and to use these experiences to identify risks that need to be addressed and managed. The Trust also engages with public stakeholders through a forum to share their experience and learn lessons and implement improvements as a result. During 2012/13 this forum met on four occasions. In addition, the Trust uses a variety of mechanisms to capture feedback and experience and face to face sharing of stories which culminated in 4020 contacts being made during the year. This feedback was used to identify learning opportunities and service improvements. The Trust also has an effective strategy in place which has resulted in over two million web visits in the last year from members of the public seeking advice and gaining assistance and information to self care and self manage. The Trust continues to promote key public health messages including the promotion of the 'Choose Well' campaign. The Board, at each meeting, receives patient experience stories sometimes including attendance by the individuals concerned.

The Trust performance dashboard contains a significant element of audit against clinical performance indicators and work is ongoing to ensure this becomes the main driver of organisational performance. In addition, the executive team recognises the importance of increasing the range of indicators used to deliver improved clinical quality.

The Trust has a Risk Management Policy and Strategy that describes the arrangements for the management of risks within the Trust and clarifies the roles and responsibilities of individuals and committees. The risk assessment and risk register procedure provides for the identification and assessment of all categories of risks including clinical, financial and corporate risks. Both the Corporate and Directorate Risk Registers are available on the Trust's intranet site for review and enable Board members to bring any issues to the attention of the Board's committees.

The Trust regards risk management as an integral part of its strategy development and business planning processes, ensuring that the identified risks are appropriately addressed. The Board has a Strategic Planning Committee which reviews the planning process and the extent to which risks are adequately addressed within the directorate business plans and the Trust's Annual Delivery Plan.

The Board and its committees have strong staff representation to further promote engagement and involvement in the risk management process.

The Trust's current profile of risks is summarised in the most recent version of the Corporate Risk Register. Formal risk management is conducted at all levels within the Trust, at Board level, management team level, directorate level and locality level. Risk registers are maintained at directorate and management team levels. The Corporate Risk Register is maintained and owned by the management team and the Board periodically reviews the register and the mitigation action being taken. There

is a process of escalation that ensures that risks are identified and managed at the appropriate level authorised to take mitigation action.

Disclosures

The organisation uses the ‘Doing Well, Doing Better: Standards for Health Services in Wales’ as its framework for gaining assurance on its ability to fulfil its aims and objectives for the delivery of safe, high quality health services. This involves self-assessment of performance against the standards across all activities and at all levels throughout the organisation

As part of this process, the Board held a Board Workshop to ensure full engagement of the whole Board to complete the governance and accountability assessment module and has:

- openly assessed its performance using the maturity matrix;
- responded to feedback from Healthcare Inspectorate Wales; and
- plans in place to achieve the improvement actions identified within clearly defined timescales (proportionate to the risk).

This process has been subject to independent internal assurance by the organisation’s Head of Internal Audit who has offered the following opinion:-

“A Review was conducted, in accordance with the requirements identified within the Welsh Government Manual for Accounts for NHS Trusts/Local Health Boards (LHB) and the Annual Governance Statement.

The Trust convened a Scrutiny Panel with the Chairs of the Audit and Strategic Planning Committees, with management and Internal Audit in attendance, to present the processes in place and evidence to support the overall scoring.”

The self assessed scores for the Module are detailed as follows:-

Governance and Accountability Module – Self Assessment

Table 3

Governance and Accountability Module	We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what/where we need to improve.	We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	We are developing plans and processes and can demonstrate progress with some of our key areas for improvement	We have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business	We can demonstrate sustained good practice and innovation that is shared throughout the organisation / business and which others can learn from
Setting the			3		

direction					
Enabling delivery			3		
Delivering results achieving excellence			3		
OVERALL MATURITY LEVEL			3		

Internal Audit has assessed the Overall Maturity Level for the Trust as 3 – ‘We are developing plans and processes and can demonstrate progress with some of our key areas for improvement.’

Standards for Health Services in Wales

The objective of the audit review was to evaluate and determine the adequacy of the systems and controls in place for the embedding, utilisation and assessment of the Standards for Health Services in Wales. In undertaking our work across the audit plan we take the opportunity to consider compliance any relevant service specific standard.

The overall objectives of the review were to:

- Ensure that processes were in place for the preparation and completion of the self-assessment.
- Ensure the standards are embedded in the organisation at all levels and across all activities.
- Ensure that the requirements for the Annual Governance Statement were addressed.

The audit of the Standards for Health Services in Wales was undertaken for the following:-

- Standard 1: Governance and Accountability Framework – 4;
- Standard 22: Managing Risk and Health and Safety – 3; and
- Standard 23: Dealing with Concerns and Managing Incidents – 3.

The Trust convened a Scrutiny Panel with the Chairs of the Audit and Strategic Planning Committees with the Executive Lead, management and Internal Audit in attendance.

Overall, reasonable assurance for this review was reported, however the Chairs of both Committees were keen that the improvement plans submitted should take the Trust forward in enhancing its services.

The maturity scores should not be taken to suggest that there have been no improvements since last year. Improvements have been made in a number of important areas such as the Trust’s overall business planning and performance framework, further development of the integration of full risk-profiling and risk

management process with the Trust's strategic objective setting and planning processes, implementation of 'Putting Things Right', together with further embedding of the new clinical model;- but there remain a number of actions yet to be implemented and these are being taken forward as part of the Trust's Annual Delivery Plan and directorate business plans during 2013/14. Appropriate improvement plans have been identified and have been mapped across to directorate business plans and will be monitored via that process.

Other Disclosures

- **Carbon Reduction Delivery Plans**

The organisation has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act and the adaptation reporting requirements are complied with.

- **Equality, Diversity & Human Rights**

Control measures are in place to ensure that the Trust's obligations under equality, diversity and human rights legislation are complied with. The Trust has been proactively increasing its understanding, general awareness and commitments to meet its obligations fully and with best practice with respect to equality, diversity and human rights legislation.

- **NHS Pension Scheme**

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance with the scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

- **Data Security - Serious Untoward Incidents**

In accordance with the IFRS NHS Wales 2012/13 Manual for Accounts, the Trust is required to disclose any "Serious Untoward Incidents" involving data loss or confidentiality breaches. I can confirm that the Trust has not had any Serious Untoward Incidents of this nature during 2012/13.

In reviewing its governance arrangements, and taking into account its assessment against the governance and accountability module, the Trust is clear that it is operating in accordance with the Corporate Governance Code and that there have been no departures from the Code.

There has been one Ministerial Direction imposed on the Trust in relation to the NHS Wales Shared Services Directions 2011 (Revocation) Directions 2012 – 30 May 2012.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The Board, functioning as a corporate decision making body, has regularly considered assurance reports on the financial position, performance and concerns. Key matters considered by the Board and its committees during 2012/13 include:

- Clinical Strategy;
- Concerns management: improving handling and response, and learning lessons;
- Infection prevention and control;
- Francis report and recommendations;
- Progress with Ombudsman cases;
- Developing Safeguarding processes
- Patient Stories/Patient experiences
- Coroners Rule 43 matters;
- Trust Redesign and new Management Structure;
- Development of the Trust's five year strategy 'Working Together for Success';
- Annual Delivery Plan 2013/14;
- Workforce and Organisational Development Framework and Plan;
- Review of Fleet Management Structure and Fleet Operational issues;
- Implementation and Development of a new Clinical Response Model;
- Review of Estates Strategic Outline Case;
- Board assurance system;
- Service changes by Local Health Boards;
- Review of the Trust's Corporate Risk Register;
- Capital Development Plan 2012/13;
- Business Justification Case – Vehicle Replacement Programme;
- Planned Building Disposals;
- Information and ICT;
- Welsh Government Review of the Trust;
- Approval of revised Standing Orders/Standing Financial Instructions/Scheme of Delegation;
- Welsh Language Annual Monitoring report.

A Board Development Session was held following publication of the Francis Report in February 2013 to engage the Board, and ensure Board level commitment, to demonstrate that the Trust is responding appropriately to the lessons learnt. The management team are cross referencing the Francis recommendations to all key work streams eg Standards for Health, 1000 Lives plus, patient experience, as outlined in the draft Quality Framework and a report was presented to the Trust Board meeting in March outlining next steps. The Trust is fully engaged in the

National Service User Experience Group and has already progressed key areas, including capturing feedback via the Trust's website.

Committees

The Board is accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and has been supported in this role by the work of the following main committees. Being a Trust, the organisation does not have any formally appointed Advisory Groups other than the Welsh Ambulance Services Partnership Forum. The main purpose and focus of each Committee is set out below:

Quality, Safety and Governance Committee

- Evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to governance, quality and safety of healthcare; and
- Assurance to the Board in relation to the Trust's arrangements for safeguarding and improving the quality and safety of patient centred healthcare in accordance with its stated objectives and the requirements and standards determined for the NHS in Wales.

The Quality, Safety and Governance Committee operates to the requirements and standards set out in the Quality and Safety Committee Handbook and the Trust's Standing Orders and is pivotal to providing assurance to the Board on whether the clinical risks facing the organisation are being effectively managed and mitigated. The committee robustly tests and appropriately challenges the proposals and initiatives that come before it for scrutiny and consideration.

A key focus of the committee during the course of the year has been development of the Clinical Strategy, shifting the culture of the whole organisation to focus first and foremost on the best clinical practice for the best patient outcomes and experience possible, in addition to ensuring prompt action in implementing learning and changing practice as a result of adverse incidents, concerns, and any Coroner Rule 43 notifications. The Quality, Safety and Governance Committee now opens all its deliberations with a 'Patient Story'.

Audit Committee

Advises and assures the Board and the Accountable Officer on whether effective arrangements are in place, through the design and operation of the Trust's assurance framework, and to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

The Audit Committee operates to the requirements and standards set out in the Audit Committee Handbook and the Trust's Standing Orders. In providing assurance to the Board, the committee has approved risk based Internal Audit plans and considered the opinions given on reports with directors held to account where appropriate; considered the Head of Internal Audit Opinion for the financial

year on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes; discussed and recommended to the Board the Trust's audited financial statements and Auditor General's opinion; and reviewed and approved the Trust's governance and assurance system, including Standing Orders, Standing Financial Instructions and Scheme of Delegation in addition to a revised Gifts and Hospitality Policy.

Strategic Planning Committee

- Monitors the Trust's in-year financial position against relevant control targets and make appropriate recommendations to address imbalances, monitor achievement and planning of both in-year and five-year cost improvement plans, monitor progress against the Trust's capital programme, and review performance against the relevant Welsh Government (WG) financial requirements and assess the implications of associated financial risks ratings.
- Reviews Trust wide performance against all WG standards, review performance against the contract for paramedic emergency services and PCS services, monitors and review progress against the Trust's Emergency Preparedness Strategy and the overall Trust Business Continuity Plan, and review the effectiveness of the Trust's Performance Management Framework and receive assurance on the value of outcomes produced by the framework;
- Reviews proposals for corporate objectives and delivery criteria and make recommendations to the Board as appropriate and develop the Trust's strategies and plans (including workforce planning requirements) for the delivery of high quality and safe services consistent with the Board's overall strategic direction.
- Monitor the Trust's Workforce Plan and review individual workforce and organisational development policies towards the implementation of the Plan. To advise the Board on performance in relation to attendance management, training, occupational health and other staff wellbeing policies and initiatives.

In providing assurance to the Board, the Strategic Planning Committee has constantly scrutinised the detailed and ongoing monitoring of the financial position including challenging the delivery of the savings targets and achievement of financial objectives. It has also specifically scrutinised Estates and ICT matters to address high risk areas; given detailed consideration to resourcing and capital investment in various infrastructures e.g. estates, fleet, ICT including scrutinising and subsequently recommending approval of various associated business cases. The committee has monitored and challenged where appropriate the progress with regard to implementation of the Trust's Annual Delivery Plan (ADP) and key objectives to ensure they are on target, and that they Board clearly understands any prospective challenges and risks to its delivery. The committee has this year dedicated a significant proportion of its time focusing on the scrutiny of workforce

development issues such as roster review, meal break policy and sickness absence and their obvious impact in terms of delivery of the overall ADP.

The Board has a cycle of business that supports the Governance Framework. This cycle of business ensures appropriate sequencing of meetings to schedule business satisfactorily throughout the year. This year, the calendar has been adjusted to run from April to March each year to link with the business and financial timetable. The Trust has developed an electronic forward plan of business which is reviewed by the management team and Board/Committee Chairs on a regular basis and, in particular, at diarised pre-agenda meetings which are programmed annually and held six weeks prior to each Board/Committee meeting. In addition, the Trust includes annual plans of business as part of the agenda for regular review by the Board/Committees.

The following table outlines dates of Board and committee meetings held during 2012/13; all meetings were quorate.

Table 2

Board/ Committee	2012-13						
<i>Board</i>	1 <i>JUNE</i>	26 <i>JULY</i>	18 <i>OCTOBER</i>	13 <i>DECEMBER</i>	24 <i>JANUARY</i>	14 <i>MARCH</i>	
<i>Audit</i>	30 <i>MAY</i>	11 <i>JULY</i>	3 <i>OCTOBER</i>	28 <i>NOVEMBER</i>	20 <i>FEBRUARY</i>		
<i>Charitable Funds</i>	30 <i>MAY</i>	27 <i>SEPTEMBER</i>					
<i>Quality, Safety and Governance</i>	26 <i>APRIL</i>	26 <i>JUNE</i>	18 <i>SEPT</i>	6 <i>NOV</i>	1 <i>MARCH</i>		
<i>Strategic Planning</i>	3 <i>MAY</i>	5 <i>JULY</i>	27 <i>SEPT</i>	15 <i>NOV</i>	14 <i>FEB</i>		
<i>Remuneration Committee</i>	5 <i>APRIL</i>	24 <i>JULY</i>	9 <i>AUGUST</i>	3 and 18 <i>OCTOBER</i>	22 <i>NOV</i>	23 <i>JAN</i>	1 <i>MARCH</i>

The Trust Chairman brings together all non executive directors of the Board on a regular basis which, although not a formal committee, has routine oversight of the key issues from each committee across the Trust. Each main Board/Committee produces an Annual Report which is received by the Board, detailing the business, activities and main issues dealt with by the committee in the reporting year. Board members attendance at Board meetings is generally very good averaging 88% during the period. In addition to Board and committee meetings, the Board holds

regular development sessions covering all aspects of corporate responsibility. During the course of the year the Board has also undertaken a self-assessment of its performance, the results of which are being taken forward by the Trust's Quality, Safety and Governance Committee.

Independent and External Assurance

There are a number of independent/external bodies that have supported the governance structure during the year and provided the scrutiny and assurance to underpin the effectiveness of the system of internal control:

Internal Audit

The service provided by Internal Audit has been enhanced through the introduction of an Internal Audit Charter setting out the purpose, authority and responsibility of Internal Audit. The role of Internal Audit is to provide an independent and objective opinion on the system of control. The opinion considers whether effective risk management, control and governance arrangements are in place in order to achieve the Board's objectives. The work of Internal Audit is undertaken in compliance with the NHS Internal Audit Standards, with the annual audit programme based on the outcomes from an audit risk assessment matrix.

The Audit Committee has received progress reports against delivery of the plan at each meeting with individual assignment reports being received. Internal Audit reports the findings of its work to management, and action plans are agreed to address any identified weaknesses. The outcome of each audit, providing an overall conclusion on the adequacy and application on internal controls for each area under review was considered by the Committee. Where appropriate, directors have been required to attend in order to be held to account. The assessment on the adequacy and application of internal control measures can range from "no assurance" through to "substantial assurance". The Head of Internal Audit's overall opinion for 2012/13 concluded that:-

"The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved."

During the course of the year one 'no assurance' report was issued by Internal Audit in relation to control over the use of pool vehicles. In addition, three reviews received 'limited assurance' (sickness management, periodic income and income generation and health and safety). In all cases, management have agreed a detailed action plan to address the issues, a number of which have already been actioned.

External Audit

The Auditor General for Wales is responsible for scrutinising the Trust's financial systems and processes, performance management, key risk areas and the Internal Audit function, in order to fulfil his obligations under the Code of Audit Practice. KPMG is appointed on behalf of the Auditor General for Wales to undertake this within the Trust. They undertake financial and performance audit work specific to the Trust. During the year KPMG undertook the Structured Assessment Year 3 review of the Trust which focussed on progress made in the areas previously highlighted as scope for improvement. The assessment concluded that overall good progress has been made during the year in addressing the areas for development previously identified although specific challenges remain. It was noted that corporate arrangements are in place to support good governance and further development of board assurance, risk framework and the quality and timeliness of management information is needed. The findings of this report are being used to develop work plans to address the issues identified which include further embedding of risk management as part of the overall board assurance system linking to strategic objectives and improved management information.

Review of economy, efficiency and effectiveness on the use of resources

The Trust's arrangements were reviewed by KPMG on behalf of the Auditor General for Wales and in their 2012 Annual Audit Report the Auditor General states that in relation to the requirement to satisfy himself that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, he has drawn assurances or otherwise from the following sources of evidence:-

- The results of audit work on the Trust's financial statements;
- Work undertaken as part of his latest Structured Assessment of the Trust, which examined the arrangements for financial management, governance and accountability, and management of resources;
- The Trust's self-assessment against the Governance and Accountability module of the Standards for Health Services in Wales;
- Performance audit examinations undertaken at the Trust;
- The results of the work of other external review bodies, where they were relevant to his responsibilities; and
- Other work, such as data matching exercises and certification of claims and returns.

Heath Inspectorate Wales (HIW)

The Trust is provided with independent and objective assurance on the quality, safety and effectiveness of the services it delivers through reviews undertaken by and reported on by HIW. During the course of the year HIW undertook unannounced infection control inspections. The results of such work are reported through the Quality, Safety and Governance Committee. The outcomes of any such reviews together with any emanating action plans are discussed in a variety of forums with any lessons learnt shared disseminated throughout the Trust.

Welsh Risk Pool Assessment

Independently of the Trust, the Welsh Risk Pool is currently undertaking one assessment against the Concerns and Compensation Standard. This assessment is due to be completed in June 2013 and therefore its findings will be reported in the 2013/14 Annual Governance Statement.

Statutory Financial Duties and Targets

The Trust met all of its Statutory Financial Duties and Targets for the year ended 31 March 2013 as detailed below:

- The Trust achieved a break even position on Income and Expenditure, reporting a small surplus for the year of £49k on expenditure of £156.1m;
- The Trust is given an External Financing Limit by the Welsh Government which it is permitted to undershoot but not exceed. For 2012/13 the Trust met this limit precisely; and
- The Trust is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is later). The Trust met this target, paying 98.7% within the specified time.

The Trust managed its capital expenditure within the Capital resource Limit specified by the Welsh Government and invested £14.6m in new property, plant and equipment.

Engagement with the 1000 Lives Plus Programme

1000 Lives Plus is the national improvement programme supporting organisations and individuals to deliver the highest quality and safest healthcare for the people of Wales.

The Trust has continued to make improvements to the safety and quality of care by progressing the work of the 1000 Lives Plus programme through the relevant work areas. Areas of progress to note include:

- The NHS Early Warning Score (NEWS), utilised within hospital settings across Wales has been successfully introduced into the pre-hospital setting via a Plan Do Study Act (PDSA) cycle within the Pembrokeshire locality. The scoring system provides a standard to ensure that every patient in Wales receives the same level and quality of care. The work has been extended to the Abertawe Bro Morgannwg University Health Board area following the change for improvement methodology.
- The development and roll out of alternative care pathways for non injury falls, resolved epilepsy and resolved hypoglycaemia patients to enable them to receive the right care while remaining within their own homes has continued at pace. Referral pathways are now in place with 5 of the 7 Health Board areas with over a 1000 patients being referred to date.

- A pre-hospital Sepsis Screening tool has been developed and work has been undertaken via a PDSA. The tool has successfully identified and expedited the care for a number of patients leading to improved clinical outcomes.

Further programmes of work are ongoing relating to reducing infection and improving the recognition of a stroke.

Conclusion

As Accountable Officer, I wish to highlight the following matters which I considered to be significant governance issues and have presented challenges during the course of the year:-

- **Concerns Handling** – a number of issues relating to the Trust's process and procedures for handling concerns were identified during the year culminating in some critical Ombudsman reports. I, together with my management team have put in place a comprehensive action plan to address the issues and this was vigorously progressed during the year. Regular reports continue to be submitted to the Ombudsman for monitoring purposes and a new staffing structure for Concerns has been progressed with a few remaining vacancies to which we are currently recruiting and which will ensure that there is a strengthened governance framework going forward.
- **Financial allocation** – The Trust achieved all of its statutory financial responsibilities for 2012/13, however some aspects of the financial allocation to the Trust (£4.3m) were not settled in a timely manner.
- **Infection Control Audits** – During 2012/13, Health Inspectorate Wales carried out infection control audits within the Trust and the findings have been discussed at meetings of the Quality, Safety and Governance Committee and the Board. As part of regular reports to the committee in response to the findings, an action plan has been put in place and is being continuously monitored, to ensure that the actions identified are being progressed to a satisfactory conclusion.
- **Rule 43** – During the course of the year the Trust has received three Coroners' Rule 43 notices. These notices are taken with the upmost seriousness by the Board who have ensured that prompt action is taken in relation to each case and monitored on an ongoing basis.
- **Handover Issues** – Handover delays have been an increasing trend over recent years however these can only be described as culminating in what I consider to be a significant governance issue not only for this Trust but for NHS Wales as a whole, as the degree to which handover delays have

escalated, particularly during the last six months of the financial year presents a significant clinical governance issue with its associated risk to patient safety. The Trust is working closely with its Health Board colleagues to address this fundamental systemic issue.

Date: 5th June 2013 Chief Executive